

**STATE OF CALIFORNIA  
WORKFORCE INVESTMENT ACT (WIA)  
WAIVER REQUEST**

**Waiver to Permit Up to 90 Percent Reimbursement for  
On-the-Job-Training**

The California Workforce Investment Board (State Board) and the Employment Development Department, as the administrative entity of the WIA, submit this request for a waiver to permit up to 90 percent reimbursement for on-the-job-training.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

The State Board respectfully requests a waiver to allow the State to reimburse up to 90 percent of employer cost for on-the-job-training.

**A. Statutory or Regulatory Requirements to be Waived**

Section 101(31)(B) of the Workforce Investment Act

**B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted**

The purpose of this waiver is to increase flexibility for the use of WIA formula and American Recovery and Reinvestment Act (ARRA) funds by permitting up to 90 percent reimbursement of the extraordinary costs of on-the-job training. Reimbursement would be provided on a sliding scale based on employer size: up to 90% for employers with 50 or fewer employees; up to 75% for employers with 51 to 250 employees; for employers with 251 or more employees, reimbursement would remain at the 50% statutory level.

The waiver will allow the State to encourage and expand the hiring of unemployed adult and dislocated workers who lack some of the skills needed to meet an employer's needs. It will provide them with opportunities to add new skill sets and learn new technologies while they return to the workplace and earn wages to support themselves and their families.

It will also:

- Maximize the flexibility needed to create on-the-job-training opportunities in the private and non-private sectors that provide appropriate skill acquisition opportunities for participants.
- Increase business usage of the workforce system and provide greater incentives for them to hire new workers.

- Attract a larger number of high quality, high wage jobs that create economic wealth for the various regions within the State.

California has one of the highest unemployment rates in the nation. This waiver will help businesses solve workforce challenges, such as attracting and retaining well qualified workers.

### **C. State or Local Statutory or Regulatory Barriers**

There are no State or local statutory or regulatory barriers to implementing the proposed waiver.

### **D. Description of Individuals Impacted by the Waiver**

Adult and Dislocated workers and other hard to serve populations with the greatest barriers to employment who are not already skilled enough to obtain available employment and would most benefit from being able to earn a wage while learning new skills; employers with full-time job openings in growth industries who are having difficulties finding appropriately skilled workers but would have the ability to provide on-the-job-training if assisted with the extraordinary costs of providing such training.

### **E. Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver**

As with all other major policy and procedural decisions made by the State, we rely heavily upon input from local partners. The potential impediments and benefits of being granted this waiver were discussed with local partners to gain input on those areas. Due to the level of expediency required to request this waiver, it was posted on the State Board's website for seven days seeking public comments. No comments were received in response to this request.

The CWIB and the EDD, as the administrative entity of the WIA in California, will monitor all reimbursed on-the-job-training. The State's current monitoring policy/procedures will be modified as necessary ensure compliance with the intent of the waiver.